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23 July 1964

MEMORANDUM FOR: Director of Logistics

SUBJECT   : Supply Division EDP System

REFERENCE   : Your Memo of 7 Apr 64, same subject   OL 4049-a

The ADP Division in OCS has met on several occasions with the
OL Task Team in the Supply Division. After careful study and dis-
cussion the following is presented for your review and decision.

A. Background Information.

1. Changes and improvements proposed by OL for the
current system will require extensive revision and modifi-
cation of OCS computer programs. OCS is prepared to
assign five programmers to the job and estimates completion
in nine months.

2. OCS has already acted on one of the minor modifi-
cations and is planning to effect others such as repricing
changes, implementing the Federal Supply Catalog System,
eliminating the materiel unit concept, etc.

3. The net effect of the OL proposal is to modify the
current system rather than institute a new one.

4. Because of the low transaction rate and absence of
a requirement for instantaneous response from a central
computer, there appears to be no justification for special
real time or random access computer equipment.

B. Suggested Extensions of the OL Proposal.

From its knowledge of the OL system, OCS recommends
that you consider additional changes before signalling us to
proceed. For example, we suggest that the following elements
be built into the modified system:

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1.   Some degree of computer stock editing.   This implies daily computer processing.

2.   Automatic computation of economic order quantities.

3.   Automatic preparation of inventory data as well as inventory adjustment reports for property on hand and property in use.

4.   Arrangement of trailer codes to make data extraction feasible and facile.

5.   Wherever possible, produce transaction input as a by-product of document preparation, and produce documents as a by-product of computer processing.

6.   Expand the exception method of reporting.

7.   Study the adoption of single line item requisitioning.

It is possible that the modified system can be adapted to include the above elements.   At some point, however, we will have to decide whether or not it is worth patching the present system to include these modifications or if it makes more sense to integrate them into a totally new system.   This is important, from OCS' viewpoint, because it will dictate the nature and extent of the reprogramming effort.   We currently estimate that patch reprogramming will take nine months whereas reprogramming for a new system will take 12 months.

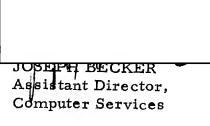In contemplating a new system we suggest the following as first steps:

8.   Perform statistical evaluation of the present master tape files to determine whether division of files, combination of various coded categories and reduction or realignment of line items in the files where feasible or desirable, and

9.   Investigate the possibilities of adapting existing systems to CIA/OL needs -- with particular reference to MILSTRIP or FEDSTRIP.

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C. Conclusion.

In summary, there are two courses of action open to OL and OCS. The first is to patch the present system to include all possible improvements and modifications that are desirable and can be anticipated. The second is to take a fresh approach to the OL need for logistical information and build a new computer-driven system from scratch.

OCS recommends that OL first undertake the steps outlined in B (8) and B (9) above prior to deciding which of the alternatives it will take. If, after this, OL will specify its logistical information requirements then OCS in turn will prepare a work schedule showing how and when the new system will be introduced.

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